

**CONTRACT BETWEEN THE
LANSING ECONOMIC DEVELOPMENT CORPORATION
AND
THE LANSING ECONOMIC AREA PARTNERSHIP, INC.
(2019 - 2020)**

THIS CONTRACT (the "Contract"), entered into this 7th day of June 2019, is effective from July 1, 2019 ("Effective Date") through June 30, 2020, by and between the Lansing Economic Area Partnership, Inc. (LEAP), a Michigan non-profit corporation (the "Contractor") and the Economic Development Corporation of the City of Lansing, a non-profit corporation organized and existing under the laws of the State of Michigan (the "LEDC"). The Contractor is the exclusive and independent employer of its employees.

WITNESSETH THAT:

WHEREAS, the LEDC desires to engage the Contractor to perform certain services and activities as established in the LEDC's contract for services with the City of Lansing (the "City") and law; and

WHEREAS, the Contractor represents that it will perform such services and activities in a lawful, satisfactory and proper manner, all in accordance with the policies, procedures and requirements which have been or, from time to time, may be prescribed by the City or LEDC or the LEDC Board of Directors ("LEDC Board"); and

WHEREAS, the Contractor and the LEDC wish to memorialize in writing the terms under which the Contractor will perform those certain services the LEDC is obligated to provide to the City pursuant to the fiscal year 2019-2020 contract between the City and the LEDC when projects arise within the municipal boundaries of the City of Lansing or when projects are brought to the Contractor's attention by the City, LEDC, TIFA, IBRA or LRSmartZone (as defined below) ("City Project"); and

WHEREAS, the LEDC acknowledges that LEAP serves the entire Tri-County region, including other governmental and/or quasi-governmental entities, and pursues the needs and wishes of businesses and prospects on behalf of the region; and

WHEREAS, the Contractor acknowledges the City is the intended third-party beneficiary of this Contract.

NOW, THEREFORE, the LEDC and the Contractor do mutually agree as follows:

1. Scope of Work

Introduction:

LEAP will provide via this contract economic development services to the City and LEDC. These services include assisting with business expansion, retention and attraction along with facilitating real estate and place-based development projects in the City. In addition, LEAP will assist the West Saginaw and East Michigan Corridor Improvement Authorities phase toward self-management while also continuing the planning work for creating CIAs on N.

Grand River Ave and S. MLK Blvd. LEAP will also promote investment into the City's Opportunity Zones and manage the City Façade Improvement Program. These efforts will include provision of administrative services to the I.EDC, Tax Increment Financing Authority (TIFA) and Lansing Brownfield Redevelopment Authority (LBRA), the financial coordination of brownfield plans, both past and present, submitted for reimbursement from the city's Dept. of Treasury, the monitoring of LEDC loan re-payments, budgeting for all three Boards, audits or audit participation, agendas, minutes, proper meeting postings, and monthly financials. The State of Michigan continues to require more annual reporting and LEAP will continue to provide required reporting.

Scope of Work Details (City Project)

A. Provide Business Expansion, Retention and Attraction Services in Lansing

- i. Identify, Generate and Investigate Business Development Project Leads
- ii. Work with Business Prospects in Lansing that are generated by LEAP's Regional Attraction Program
- iii. Meet with key Lansing businesses as necessary to discuss their expansion or business needs
- iv. Help Lansing Businesses to explore and apply for business assistance including financing and/or economic development incentives
- v. Guide and assist Businesses through the business assistance approval process
- vi. Facilitate execution of Business Assistance agreements, final document submittals, and recording
- vii. Provide information and support to the Mayor's office on Media/Events and Creating Announcements regarding Business Development Projects
- viii. Conduct Business Development Project monitoring, incentive distribution coordination, reporting, monitoring, compliance and audit activities

B. Facilitate Real Estate & Place Based Development Projects in Lansing

- i. Work to identify potential redevelopment properties and opportunities in the City
- ii. Conduct and coordinate Request for Proposals for publicly owned properties in the City
- iii. Work with Developers to explore the use of Brownfield Tax Increment Financing, State Loans and Grants and other sources funding to redevelop vacant, blighted, obsolete and contaminated sites in Lansing.
- iv. Facilitate as an intermediary between the City and Developer on proposed development specifics and parameters
- v. Provide information and support to the Mayor's office on Media/Events and Creating Announcements regarding Real Estate & Place Based Development Projects
- vi. Conduct Real Estate & Place Based Development Project monitoring, incentive distribution coordination, reporting, monitoring, compliance and audit activities

C. Manage the Lansing Economic Development Corporation

- i. Perform all Budgeting, Accounting, Audits and Administration Activities for the LEDC
- ii. Host LEDC Board Meetings, Create Agendas, Minutes, Reporting, Meeting Public Notices & Posting, Conduct Document Storage/Archiving
- iii. Conduct LEDC Board Member Education and Servicing
- iv. Manage the LEDC BFAP Business Loan Program
- v. Issue LEDC Bonds to Support Economic Development Projects
- vi. Apply for and Administer State and Federal Grants to support Economic Development Projects

D. Manage the Lansing Brownfield Redevelopment Authority

- i. Perform all Budgeting, Accounting, Audits and Administration Activities for the LBRA
- ii. Host LBRA Board Meetings, Create Agendas, Minutes, Reporting, Meeting Public Notices & Posting, Conduct Document Storage/Archiving
- iii. Administer Brownfield Plans, Grants and Loans
- iv. Conduct LBRA Board Member Education and Servicing
- v. Issue LBRA Bonds to Support Brownfield Redevelopment Projects
- vi. Apply for and Administer State and Federal Grants to support Brownfield Redevelopment Projects

E. Manage the Lansing Tax Increment Finance Authority

- i. Perform all Budgeting, Accounting, Audits and Administration Activities for the TIFA
- ii. Issue TIFA Bonds to Finance Public Infrastructure
- iii. Host TIFA Board Meetings, Create Agendas, Minutes, Reporting, Meeting Public Notices & Posting, Conduct Document Storage/Archiving
- iv. Conduct TIFA Board Member Education and Servicing

F. Assist Corridor Improvement Authorities in the City

Existing CIAs (E. Michigan Ave. and W. Saginaw St.)

- i. Work with Mayor's office and City Council to fully populate both CIA Boards of Directors
- ii. Assist CIA Boards to hold meetings, prepare agendas and record minutes
- iii. Update and finalize the final drafts of the Finance and Development Plans, and Bylaws for both the E. Michigan and W. Saginaw CIAs
- iv. Present and gain approvals of Finance and Development TIF Plans by the CIA Board and City Council
- v. Help CIA Boards to develop a management plan

Establish N. Grand River & S. MLK Corridor Improvement Authority

- i. Work with the Mayor's office to discuss exploratory plan/feasibility determination of the proposed N. Grand River and S. MLK CIAs
- ii. Work with the Mayor's office to attain approvals on the estimated development area, key stakeholders and strategy

- iii. Engage with local agencies, community leaders and other key stakeholders
- iv. Develop a plan for creation of CIA Boards and Development/Finance Plan
- v. Assist CIA Boards as needed to hold meetings, prepare agendas and record minutes
- vi. Help Boards to develop a management plan

G. Promote Investment into the City's Opportunity Zones

- i. Create strategies and materials to promote Opportunity Zones Program to attract private investments in redevelopment projects in City's designated zones
- ii. Conduct marketing and promotional activities for the promotion of the OZ program
- iii. Create and maintain an interactive map to showcase Lansing's designated OZs and available properties
- iv. Build LEAP OZ Network with local and national experts to assist and educate potential investors and developers on Opportunity Zones
- v. Manage inquiries from investors and developers
- vi. Monitor the progress of prospect projects
- vii. Showcase successful projects

H. Manage City Façade Improvement Programs

- i. Create strategies and materials to promote the City's Façade Improvement Program
- ii. Conduct marketing and promotional activities for the promotion of the Façade Program
- iii. Work with the City Administration to staff the Façade Design Committee
- iv. Work with applicants on shaping and qualifying and proposed Façade improvement projects
- v. Conduct preliminary review of applications
- vi. Work with Design Committee and Mayor's Office to select and approve applicants
- vii. Draft and facilitate the execution of grant agreements for approved applicants
- viii. Monitor projects and administer grant funds
- ix. Document completion projects and create final project reports
- x. Partner with Mayor's Office on Project Media Events

2. Time of Performance

The time of the performance under this Contract shall be from July 1, 2019 to June 30, 2020. In no event shall this Contract extend beyond June 30, 2020, unless so provided by a written amendment hereto that has been executed by both parties. Unless otherwise terminated pursuant to the terms of this Contract, the Contractor shall continue to perform services and activities until the Contract expires.

3. Compensation and Method of Payment for LEDC Contract Services

- A. As full compensation for the Contractor's satisfactory performance under and completion of this Contract, the LEDC shall pay the Contractor the amount of \$500,000.

To be paid:

- 1. \$250,000 on July 1, 2019;
- 2. \$250,000 on January 1, 2020

- B. It is expressly understood by and between the LEDC and Contractor that except as provided in subparagraph (E) below, the total compensation and reimbursement, if any, to be paid to the Contractor pursuant to this Contract shall be \$500,000; notwithstanding the prior sentence, LEDC (via the LEDC Board) retain all rights to limit payments to Contractor as this Contract permits.
- C. LEDC agrees that all application and processing fees normally charged by the LEDC shall be invoiced, collected and received by the Contractor as payment for services rendered, in addition to the compensation described in subparagraph A above.
- D. The Contractor agrees to provide all physical resources (e.g., office furniture) and employees that may be required to perform under this Contract.
- E. The Contractor agrees to request payment on an invoice or as otherwise mutually agreeable between the LEDC and the Contractor.

The LEDC Board (or individuals it designates) will have access to all LEAP-controlled LEDC files, documents, accounts, to carry out any required tasks this Contract requires, or applicable law requires as to the LEDC.

- G. If the LEDC Board desires additional services on any specific project or issue that is outside the scope of this Contract, the LEDC Board may hire a contractor for an additional agreed upon rate.

4. Continued Funding

The City and LEDC make no implied or explicit guarantee, offer or representation of future funding from the City or LEDC beyond the termination of this Contract. The LEDC further makes no implied or expressed guarantee that it will not terminate this Contract pursuant to the terms and conditions of Paragraph 24.

5. Finance Procedures

- A. The Contractor must have in place generally accepted accounting practices (GAAP) through the Contractor's internal structure or through services provided by the City of Lansing. In order for the Contractor to meet

GAAP standards, the LEDC acknowledges the City of Lansing must provide all necessary accounting information in a timely manner per GAAP standards.

- B. **Suspension of Funding:** The LEDC Board, in its sole discretion, has the authority to suspend, reduce or disallow any payment(s) of funds to the Contractor included in Paragraph 3, notwithstanding any other provision of the Contract, upon written notice to the Contractor when: the internal fiscal controls and records established pursuant to Paragraph 3 and Paragraph 4 are changed without the LEDC Board's approval; or, where in the opinion of the LEDC Board, there is a reasonable likelihood that funds may be misused, misappropriated, or spent for an ineligible purpose as defined within this Contract.

Any unearned payments under this Contract may be suspended or reduced if the funding sources for this Contract are reduced, suspended, or terminated for any reason.

6. Contract Modifications

The LEDC Board, from time to time, may expand, diminish or otherwise modify the project objectives, scope of services, or any other Contract provision related thereto, which the Contractor is required to perform. However, those modifications are only binding if they are mutually agreed upon by the LEDC Board and the Contractor and incorporated into a written amendment to this Contract after approval by the LEDC and Contractor.

7. Failure of Performance

- A. The failure of the Contractor to provide any work, services, or other obligations of Contractor required by this Contract in a satisfactory and timely manner shall be a material breach of the Contract. The failure of LEDC to provide payment or any other obligations of LEDC required by this Contract in a timely manner shall be a material breach of this Contract.

1. The LEDC Board in its sole discretion shall determine whether the work is satisfactorily completed.
2. In the event the LEDC Board determines the work, services, or other obligations of Contractor provided pursuant to this Contract have not been performed in a timely or satisfactory manner, the LEDC Board Chairman (or his or her designee) shall notify the Contractor and allow Contractor ten (10) days to cure or provide a corrective action plan for any such failure to perform work or services in a timely and satisfactory manner. In the event LEDC does not make timely payment or meet its other obligations under this Contract, Contractor shall notify LEDC Board and allow the LEDC Board ten (10) days to cure or provide a corrective action plan for any such failure.

3. In the event that Contractor fails to provide a corrective action plan or cure the unsatisfactory or untimely work or performance after receiving notice under subparagraph (2) above, the LEDC Board may take any other action permitted by law or this Contract, including but not limited to, termination of this Contract. In the event the LEDC does not provide timely payment or provide a corrective action plan after receiving notice under subparagraph (2) above, the Contractor may take any other action permitted by law or this Contract.

B. Reduction of Compensation by the LEDC Board:

In the event the Contractor fails to perform, in a timely and proper manner any of the services or activities required under this Contract, the LEDC Board may, in its sole discretion reduce or modify the compensation payable hereunder to the Contractor in a manner which appropriately reflects such reduction or diminution of services or activities,

C. Termination for Material Breach:

1. In the event either party materially breaches this Contract, or if either party violates any of the covenants, agreements, or stipulations of the Contract, the non-breaching party after giving notice required by Section 7.A.2 above, may terminate this Contract with no further liability to the breaching party beyond that expressly provided for within Paragraph 7 herein.
2. In the event this Contract is terminated:
 - a. All data, documents, drawings, maps, models, photographs, reports, studies and surveys which have been or were prepared by the Contractor with LEDC funds pursuant to the Contract, become the property of the LEDC; and
 - b. The Contractor shall receive just and equitable compensation for any work which the Contractor satisfactorily completed pursuant to this Contract before termination for which Contractor has not been paid.
3. It is agreed that nothing contained herein shall:
 - a. Deprive either the LEDC, LEDC Board, or Contractor of any additional rights or remedies, either at law or equity, or under the terms, conditions, obligations, covenants, agreements, and stipulations of this Contract, which they may respectively assert against the other party upon failure to fulfill any of the terms, conditions, obligations, covenants, agreements or stipulations of this Contract; or

- b. Relieve either party of any liability to the non-breaching party for any damages sustained by the non-breaching party as a result of any breach of Contract by the breaching party.

8. Reports and Information

A. Financial Records and Reports:

The Contractor agrees to make and maintain adequate financial records in a form satisfactory to the City Finance Director. Such financial records and reports shall reflect all costs and expenses incurred in performing this agreement and records of the use of all consideration received pursuant to this agreement.

Financial records and reports of the Contractor shall conform with the "City of Lansing Standard Operating Procedures for City Support Agencies" to be made available to the Contractor by the City Finance Director, which manual is hereby incorporated by reference herein, and further the Contractor acknowledges and agrees that said "City of Lansing Standard Operating Procedures for City Supported Agencies" is available for use by the Contractor and the Contractor shall have the duty to be fully familiar with said manual,

B. Equal Employment Opportunity Provisions:

Pursuant to Section 1-302.1 of the Lansing City Charter, the Contractor agrees that it will ensure that no person or group engaged in the conduct of official business or seeking to do business arising from this Contract is discriminated against because of race, creed, political orientation, color, national origin, marital status, sex, age, handicap, or for any cause not reasonably related to the accomplishment of a legitimate governmental purpose.

The Contractor further agrees that all subcontractors or other agreements entered into pursuant to this Contract shall obligate any Beneficiaries of this Contract to adhere to the same equal opportunity provisions noted above.

The Contractor and any subcontractors agree to provide equal employment opportunity pursuant to all state and federal laws including the Americans with Disability Act and to provide proof to the City as requested by the Human Relations & Community Services Department pursuant to Section 206.20 and 206.21 of the Codified Ordinances of the City of Lansing.

9. Eligible Costs of the Contractor

Under this Contract, all costs incurred, and expenditures made pursuant to this Contract shall be fully documented and shall be in conformance with any limitations or exclusions of applicable Federal, State and local laws, rules, regulations and conditions mandated by the City.

10. Records and Documentation

- A. The Contractor shall establish and maintain all necessary records concerning any matter covered by this Contract which, from time to time, may be requested by the City or LEDC.
- B. Unless otherwise expressly authorized by the City, the Contractor shall maintain all records related to this Contract, including financial records and accounts for a period of three (3) years after receipt of final payment under this Contract.
- C. If any litigation, claim or audit is started before the expiration of the three-year period, the records shall be retained by the Contractor until all litigation, claims, or audit findings involving the records have been resolved.

11. Audits and Inspections

- A. Upon two (2) business days' written notice, and at any time during normal business hours and as often as the LEDC Board may deem necessary to ensure proper accountability for all project funds, the Contractor shall:
 - 1. Make available to the LEDC Board (or its designee) all checks, payrolls, time records, invoices, Contract vouchers, orders and other data, information and material concerning any matter covered by this Contract; and
 - 2. Permit the LEDC Board (or its designee) to audit, examine, excerpt, or transcribe all checks, vouchers, orders or other data, information and material concerning any matter covered by this Contract; and
 - 3. Allow the LEDC Board (or its designee) to review such documents that are considered as backup to the operation of the Contractor, other than confidential project information or operations not related to this Contract, regardless of funding source; and
 - 4. Make available to the LEDC documentation supporting service reports.
- B. The City of Lansing and/or LEDC/TIFA/LBRA/LRSmartZone are fully responsible for payment of any full, annual audit as required by the City.

12. Conflict of Interest

- A. Conflict of interest is defined as: employees using position for a purpose that is or gives the appearance of being motivated by a desire for private financial gain for themselves or others, particularly those with whom they have family, business, or other ties.

- B. Contractor covenants, to the best of Contractor's knowledge, that no such interest exists and no person having any conflicting interest in this Contract shall be employed for the purpose of performing the services and activities set forth in the Scope of Services section of the Contract or fulfilling the terms, conditions, obligations, covenants, agreements or stipulations of this Contract.
- C. The Contractor shall establish safeguards to prohibit conflicts of interest as defined by 12.A. above.

13. Assignment and Transfer of Interest: Subcontracting

The Contractor shall not assign or transfer, whether by assignment or novation, any interest in this Contract or subcontract any performance or portion thereof pursuant to this Contract without written consent of the LEDC Board, provided however, that claims for money due or to come due the Contractor from the LEDC pursuant to this Contract may be assigned or transferred to a bank, trust company, or other financial institution without such consent, and the Contractor shall promptly notify the LEDC of any such assignment or transfer.

To the extent the LEDC has service contracts which will be in effect on July 1, 2019, the LEDC hereby assigns its interest in those contracts to Contractor. Contractor shall administer the contracts, but LEDC shall be responsible for payment on the contracts for the duration of this Contract.

14. Lobbying and Political Activities

None of the money, compensation, reimbursement, funds, property or services provided, directly or indirectly, under, by or pursuant to this Contract shall be used for any partisan political activity or to further the election or defeat of any candidate for any public office, or propaganda designed to support or defeat any legislation pending before the Congress of the United States, the Michigan State Legislature, or the City Council of the City.

15. Insurance of LEDC

LEDC/TIFA/LBRA/LRSmartZone shall be fully responsible for all of its insurance coverage, including but not limited to Directors' and Officers' Insurance. Contractor is responsible for all insurance coverage applicable to it, including Directors' and Officers' Insurance.

16. "Save Harmless" Clause

Contractor must indemnify and hold the LEDC (and LEDC Board) harmless for all damages arising out of a claim a third party brings against the LEDC (or LEDC Board) or the City that arises solely out of Contractor's negligent or intentional misconduct.

The LEDC must indemnify and hold Contractor harmless for all damages arising

out of a claim a third party brings against the Contractor that arises solely out of the LEDC's negligent or intentional misconduct.

Additionally, the LEDC, the TIFA, the LBRA, and the JRSmartZone shall be solely liable for any claims relating to or arising from decisions made by those entities. Contractor is solely responsible for any claims relating to or arising from decisions it makes.

17. Civil Rights

- A. Contractor agrees that it will not discriminate as to provision of services pursuant to this agreement or as to hiring or terms or conditions of employment based on race, creed, color, religion, national origin, sex, handicap, marital status, height, weight or age. It will maintain written personnel rules, guidelines, practices, and terms and conditions of employment. The personnel rules established may be amended from time to time, as necessary. Contractors shall have in place its personnel policies with copies of any amendments made to them. A violation of this provision shall be a material breach of the Contract.
- B. The Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants shall receive consideration for employment without regard to race, color, religion, height, weight, marital status, sex, age, handicap, national origin, sexual orientation or gender preference.
- C. In the event of the Contractor's noncompliance with the nondiscrimination clauses of this Contract or with any such rules, regulations or orders, this Contract may be canceled, terminated or suspended in whole or in part.

18. City Charter

It is clearly understood that nothing contained in this Contract shall deprive the City of any rights that it may exercise by virtue of the provisions of the Charter of the City, or deprive the LEDC of any of the rights it may exercise by law.

19. Severability of Provisions

If any clauses, sections, provisions or parts of this Contract are held invalid or if any portion of any clause, section, provision or part of the Contract is held invalid, the remainder of this Contract shall continue to be enforceable as written. Unless otherwise specified in the Contract, all notices, duties or rights of the LEDC shall be exercised by and through this Contract as specified herein.

20. Waiver

The failure of the LEDC to demand compliance with any term of this Contract or to take action when this Contract is breached in any way shall not be considered a waiver of that Contractual requirement thereafter nor the LEDC's right of action for the breach of that term.

21. Insurance and Bonds

In addition to any other insurance and bonding requirements of this Contract the Contractor shall maintain at least the following insurance coverage: worker's compensation and unemployment compensation that meet minimal State of Michigan statutory requirements, if required by law.

22. Disclosure of Confidential Material

All reports, data, information, statements, forecasts, records, and so forth, assembled, constructed or prepared pursuant to or as a consequence of this Contract are subject to all Federal and Michigan laws and regulations governing the disclosure of "public, client and medical, or other records" subject to certain exemptions from disclosure under the circumstances expressly authorized by the above laws and regulations.

23. City Department or Office

It is agreed by the parties hereto that the LEDC shall be responsible for the administration of this Contract, in coordination with the City.

24. Termination and Parties' Election

The LEDC Board or Contractor may, upon sixty (60) days written notice, with or without cause, terminate this agreement and all of the terminating party's obligations hereunder, including any obligations to provide financial assistance or services. The LEDC Board, or Contractor may exercise its rights pursuant to this provision regardless of whether the Contractor or LEDC is in default of any condition or obligation under this Contract. Once the LEDC Board or Contractor has provided written notice to the other parties, the LEDC shall not be obligated to supply financial assistance in any amount greater than the average monthly payment to the Contractor over the preceding months of this agreement nor shall Contractor be obligated to provide any services.

Average monthly payment, for purpose of this Section, shall be determined by totaling the LEDC's contribution from the inception of this Contract until the time notice is provided and divide the number of funded months (or any fraction thereof) by the amount of monies expended over such period. The LEDC may also compensate in excess of the average monthly payment upon receiving documentation that warrants such action. If Contractor exercises termination rights under this Section 24, Contractor must refund to LEDC Board the pro rata amount of payments it received from LEDC before Contractor exercised its termination rights for the period of time between the date Contractor exercised its termination rights and the end of this Contract's term if it had not been terminated.

25. LEAP Board Meetings

For the duration of this Contract, the LEDC Board Chair or their designee shall be invited to all LEAP Board meetings.

Witness:



Witness:



“CONTRACTOR”

Lansing Economic Area Partnership, Inc.

BY: 

Robert L. Trezise, Jr. President & CEO

Date: 6-7-19

“LEDC”

Lansing Economic Development Corp.

BY: 

Calvin Jones, Chair

Date: June 7, 2019

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